

CORPORATE LIABILITY

Why you can't afford racial and gender conformity

IN THE CORPORATE Dark Ages (i.e. five-plus years ago), if an organization had a board and senior leadership team that comprised only white men, one of three things normally happened. One, no one really noticed so it was a non-issue. Two, someone did notice, but waited for someone else to say something. No one did, so it was a non-issue. Three, someone did say something, loudly, and was (rather damningly) labelled as “difficult” thereby rendering the underlying problem a non-issue.

Today, thanks to the hard work and commitment of women and men, diversity at the top is recognized (in some circles at least) as the performance driver that it is. According to research conducted by McKinsey, companies that have ethnic diversity at the top levels are 35 per cent more likely to have financial returns higher than industry medians. Companies that have gender diversity at the top levels are 15 per cent more likely to have financial returns higher than industry medians.

That's a lot of money. And while some say money talks, there are a lot of otherwise intelligent business people out there who may wish to schedule appointments with their local audiologist STAT because they're not hearing what the financial returns are saying.

How is this tone deafness showing up, you ask? That's easy: the surprising and ongoing lack of diversity at the top levels of organizations. While Canadian companies have made progress in advancing women and minorities into executive and board roles, I continue to be astounded at the number of organizations who have all-male or all-white (or both) senior leadership and board teams. In 2018.

There is a simple solution: if you look around the senior leadership table and see all men, take steps to address the problem as soon as possible. You could: hire a new recruiter and stress the importance of diversity to your organization; attend events put on by organizations such as the Black Business Initiative, the Centre for Women in Business or any of the dozens of Atlantic NGOs dedicated to diversifying the business world. You could hire a consultant to help you craft a



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formal diversity strategy.

When you're questioned on why you have zero diversity on your board and senior leadership team (and as much as I enjoyed *Outlander*, Scottish doesn't count), you may wish to reconsider offering the following worn-out excuses. They say more about your lack of creativity and commitment to diversity than the market.

Worn-out excuse number one: “We approached a few women, but they were all too busy!” (My email is below—contact me and I'll refer some qualified candidates your way.)

Worn-out excuse number two: “It's a pipeline problem.” (Biggest cop out ever—way to buy un-diversity another 10 years of prominence.)

Worn-out excuse number three: “I'm offended, as a white man, that anyone would think I'm incapable of making sound and fair decisions.” (Um, no one is saying that. YOU said that.)

There are so many research-based reasons to build a diverse senior leadership and board team. Higher performance, better decision-making and stronger customer alignment are some of the most talked about. But there's another reason to do it that is much less talked about. In today's business world, if you lack diversity in senior leadership, you look like a giant ignoramus who hasn't scrolled a headline in at least 12 months. If this is you, you have to ask yourself the question: how cutting edge and investment-worthy can you actually be?

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FEEDBACK

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